

Questions and Answers Set 1
Question Submission Deadline: May 5, 2010, 4:00 p.m. PST

#	Date and Method Received	Bidder Question	State Response
Q1	4/26/10 Bidsync	Do you have this RFP in a Word document?	A read-only Word version of the RFP can be obtained by e-mailing your request to kathiemullen@dpa.ca.gov . (Answered on Bidsync: Apr 26, 2010 1:48:13 PM PDT)
Q2	5/4/10 Letter via FedEx	In the RFP, one of the minimum requirements is that the proposer must not be the sub-advisor of the mutual fund. We have a unique situation for (our) Institutional Government Money Market Fund. (Our Company)...is solely owned by (The Firm). For (our) Money Market Fund, (The Firm) is listed as the investment advisor and (Our Company) is listed as the sub-advisor. Can (Our Company) submit the RFP response to the State of California Department of Personnel Administration, since (Our Company) is owned by the investment advisor, (The Firm)?	As indicated in the RFP, the proposing firm must not be a sub-advisor of the mutual fund.
Q3	5/5/10 Bidsync	Please confirm if a proposal will be considered for a mutual fund which has assets under \$2 billion, if the firm manages over \$5 billion in assets of other U.S. Government money market securities.	All proposing firms must meet the minimum qualifications as specified in the RFP.
Q4	5/5/10 Bidsync	Will the DPA consider a separate account managed with the same investment guidelines as a U.S. Government Money Market Fund if the submitting firm manages over \$2 billion in U.S. government money market securities?	As indicated in the RFP, DPA will consider only 2a-7 money market funds for this search process.
Q5	5/5/10 Letter via FedEx	If we are proposing a Registered Investment Company, are we still required to enter into a separate investment management agreement containing the mandatory provisions in Exhibit C, Exhibit D and Exhibit E?	Yes, the awarded firm must enter into an Agreement with DPA (see Attachment 2 of the RFP). All proposing firms must agree to DPA's non-negotiable contract terms, conditions, and requirements as specified in the RFP.
Q6	5/5/10 Bidsync	Are you willing to accept a fund that does not trade via NSCC and trades and settles on T rather than T+1?	See Attachment 2, Exhibit A, for Scope of Work requirements.

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Q7	5/5/10 e-mail	<p>III. Minimum Qualifications for Proposers</p> <p>A. Organizational Minimum Requirements Item #3 We are proposing a mutual fund managed by a team within our asset management group. Both our fund company and our asset management company are owned and housed within the same entity. Our asset management company is also the sub-advisor to the fund. Can DPA contract with the mutual fund company while the fiduciary, on-site visits and due diligence responsibility be taken on by our asset management group that typically takes on these roles within our company?</p> <p>Item #4 Not unrelated to Part 3 above - The requirements request that submitting firms serve as fiduciary. Our mutual fund company is unable to meet those requirements. However, our sister asset management company which is also housed within our asset management group can do so. Is it acceptable for our asset management company to serve as fiduciary in this circumstance? Additionally, on what bases is the fund company by providing an investment product acting as a fiduciary?</p> <p>B. Specific Investment Strategy Requirements Item # 2 states that "The mutual fund must be able to operate in a daily valuation recordkeeping environment as a stand alone investment option and/or as part of a fund-of-funds structure". The question is in what capacity and how could the mutual fund be used in the fund of fund structure?</p>	<p>All proposing firm must meet the minimum qualifications as specified in the RFP. Please see Attachment 2, Exhibit D, for terms and conditions related to subcontracting.</p> <p>Parties who enter into an Agreement with DPA are required to act as fiduciaries insofar as their advice and dealings with DPA, and their handling of any Plan assets.</p> <p>Savings Plus offers to participants style-neutral multi-manager investment options (i.e., separate account fund-of-fund structures). The underlying investment strategies of these investment options are provided to DPA via separate account, commingled fund, and mutual fund vehicles. You can find more information about our investments on our website (www.sppforu.com).</p>
Q8	5/5/10 e-mail	<p>Attachment 1 Documentation & Certification Checklist Please advise which contract terms are considered Non-Negotiable.</p>	All contract terms, conditions, and requirements as specified in Attachment 2 are non-negotiable.
Q9	5/5/10 e-mail	<p>Attachment 2, Exhibit A, Item # 13 Is it permissible for the contractor to share these costs with a related servicing entity within the same family of companies?</p>	<p>As specified in Attachment 2, Exhibit A, Item 13, the Contractor is responsible for costs associated with on-site due diligence reviews.</p> <p>DPA does not dictate cost sharing arrangements that the Contractor may have its servicing entities. Please see Attachment 2, Exhibit D, for terms and conditions related to subcontracting.</p>

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Q10	5/5/10 e-mail	Attachment 2, Exhibit A, Item # 15 Will we need to provide an exclusive website or phone # for the participants or can we utilize the one that we already have for institutional clients?	The Contractor is not required to provide an “exclusive” web site/toll-free telephone number for Savings Plus participants.
Q11	5/5/10 e-mail	Would the DPA consider a proposal that included a separately managed account with investment guidelines consistent with 2a7 rules?	See response to Question 4.
Q12	5/5/10 Bidsync	With regards to statement #3 on page 23 of the RFP, can you kindly clarify the meaning for contingency plans?	The Contractor must have a contingency plan (i.e., back-up plan) for the daily process for submitting the NAV. As stated in Attachment 2, Exhibit A, Item 3, the Contractor must provide that daily NAV to the Trustee by 6:30 p.m. ET on Trade Day.
Q13	5/5/10 e-mail	On page 7 of 45, section II. A. Item #4, states: “The firm must serve in a fiduciary capacity for SPP.” As the investment adviser of the mutual fund we are proposing for consideration, we would serve as fiduciary to that fund. Will this meet your criteria and allow us to be considered in your search for money market partners? If not, please provide further detail regarding the fiduciary capacity for SPP required.	See response to Question 7.
Q14	5/5/10 e-mail	On page 25 of 45, question #15, states: “The Contractor shall provide a toll-free telephone number and a website for Participants to access Fund information. Contractor shall make available, in a format acceptable to the Department, information and materials necessary to inform participants of the Fund.” Typically, our fund communication for retirement plan clients is with the record keeper of the plan, not at the participant level. Please confirm all required levels of communication and specify the specific information and format required to be considered in your search.	Savings Plus provides participants with a variety of information regarding available investments. You can find more information on our website (www.sppforu.com). The Contractor must provide DPA will information and materials necessary to support these communication efforts.

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Q15	5/5/10 e-mail	<p>On page 25 of 45, Item #20, states "The Department seeks a net-of-fees risk adjusted return from the Fund at least equivalent to the 90-day T-Bill Index, or other applicable Index as determined by the Department, over the trailing three-year and five-year periods, or as determined by the Department.</p> <p>In addition, the Department seeks a return from the Fund above the median return of the Crane Data Institutional Government Universe, or other applicable peer group as determined by the Department, over the trailing three-year and five-year periods, or as determined by the Department."</p> <p>Money Market Mutual Funds performance reflects the short-term market returns of current conditions, net of fees. Performance can be compared as referenced, but cannot be promised nor guaranteed. Will this meet your criteria and allow us to be considered in your search for money market partners?</p>	DPA seeks a return of the fund as stated in Attachment 2, Exhibit A, Item 20. However, DPA understands that the Contractor does not guarantee the investment performance of the Fund.
Q16	5/5/10 e-mail	<p>If we are to propose a 40 Act Mutual Fund product and trading of the fund will be done through Nationwide as trading agent and record keeper, will we be required to execute an investment contract or agreement? Are all of the Attachments and certifications referenced on the Documentation and Certification checklist applicable?</p> <p>Since the proposed fund is a mutual fund, we question whether the execution of an investment contract/agreement is applicable given the Fund's Prospectus. Moreover, we feel the existing Agency Trading Agreement in place with Nationwide may override any other agreement we might execute since they are the trading agent.</p>	See response to Question 5.
Q17	5/5/10 e-mail	<p>If we are subject to all of the attachments and certifications referenced on the Documentation and Certification Checklist, with respect to the acceptance of contract terms and conditions, are the references to "non-negotiable" and "non acceptance of alternate contract language" hard fast?</p> <p>There are certain terms and conditions for which we would want to limit to the specific risks associated with the actual investment and operational services being provided. Non-negotiable provides little latitude for mutually acceptable language.</p>	See response to Question 8.